

Idaho's Rural Initiative, administered by the Idaho Department of Commerce, is designed to strengthen the state's rural areas. In 2000, Governor Dirk Kempthorne charged a 63-member task force with developing a series of recommendations for strengthening rural Idaho's economy in five areas: leadership/ governance, telecommunications, education/ labor force development, infrastructure/ public facilities and economic development. With the support of the Idaho Legislature, the following programs are underway:

RURAL ECONOMIC DEVELOPMENT GRANTS

Idaho cities and counties have access to \$3 million in state funds each year for public facility improvements necessary for job creation and business expansion. Communities are selected based on local economic conditions, project readiness and number of jobs created. So far, 19 grants totaling \$6,614,180 are being used to help create more than 500 jobs in communities throughout the state. While direct job creation is occurring, additional benefits include significant secondary job creation, an increased tax base and increased agriculture production and tourism in the state.

FY 2002 (\$3 million)

Community	Project	Amount	Jobs
Cascade	Ashley's Inn	\$406,520	30
Council	Business Park Phase II (3 businesses)	\$489,124	22
Mackay	Business Park (2 businesses)	\$186,000	29
Shoshone County	TSI/Business Park	\$115,336	48
St. Anthony	ML Technologies	\$500,000	50
Sandpoint	Litehouse Foods/Downtown	\$300,700	10
Salmon	Business Park	\$500,000	50
Firth	Downtown Redevelopment	<u>\$500,000</u>	<u>20</u>
Total:		\$2,997,680	259

FY 2003 (\$3 million)

Community	Project	Amount	Jobs
New Plymouth	Business Park (3 businesses)	\$245,000	30
Shoshone County	Golf Course (Superfund site)	\$500,000	30
Hagerman	Downtown Improvements (grocery store)	\$253,500	15
Rupert	Idahoan Foods	\$345,000	74
Shoshone	Rocky Mountain Hardware	\$141,500	10
Bonneville County	Grupo Modelo	\$500,000	25
Bonneville County	Anheuser-Busch	\$500,000	10
Gem County	Liberty Canyon Boys Ranch, Inc.	\$360,000	36
Orofino	Plumber One, Inc.	<u>\$55,000</u>	<u>10</u>
Total:		\$2,811,500	244

FY 2004 (\$2.3 million, due to state budget reductions and the transfer of \$400,000 to the Gem Implementation Grant program)

Community	Project	Amount	Jobs
Hazelton	Reed Grain	\$305,000	6
New Meadows	Business Park (3 businesses)	<u>\$500,000</u>	<u>11</u>
Total:		\$805,000	17

GEM COMMUNITY IMPLEMENTATION GRANTS

Designed to allow local communities to meet their economic development goals, 11 grants totaling \$478,100 are being used by Gem Communities for job creation projects. The Gem Community Program continues to provide technical assistance to communities that wish to organize local economic development efforts.

FY 2002 (Grants awarded in CY 2001)

Community	Project	Amount
Dubois	Downtown Improvement	\$50,000
Leadore	Equestrian Events Center	\$50,000
McCall	Holiday Inn Express/Pancake House	\$50,000
Pierce	Downtown Improvement	\$50,000
Washington County	Industrial Park Planning/Infrastructure	\$18,100
Adams County	Sirolli Entrepreneurship Contract	\$50,000
Fairfield	Industrial Park Plan/Infrastructure	\$50,000
Hagerman	New Grocery Store/City Parking	\$50,000
Kamiah	Camas Railroad Study	\$10,000

FY 2003 (Grants awarded using Rural Economic Development Grant funds)

Community	Project	Amount
Rupert	Project Mutual Telephone	\$ 50,000
Gem County	County Business Park (engineering)	\$ 50,000

FY 2004 (Program reinstated with transfer of \$400,000 from the Rural Economic Development Grant program)

Community	Project	Amount
Hayden	Empire Air - Airport Improvements	\$ 50,000

RURAL INCENTIVES/TAX CREDITS

Several incentives passed in 2001 are in place to improve economic conditions in rural Idaho:

- Workforce Development Training Fund – expanded to meet the needs of rural Idaho
- 3% Broadband Investment Tax Credit for qualified equipment expenditures
- Rural Investment Tax Credit – expired at the end of 2001

RURAL ECONOMIC DEVELOPMENT PROFESSIONALS

Governor Kempthorne awards \$500,000 to 12 areas of the state each year to fund local economic development professionals. These specialists work on local business retention, expansion and economic diversification.

NORTHERN IDAHO: BOUNDARY COUNTY ECONOMIC DEVELOPMENT

Partners:	Boundary County Kootenai Tribe Cities of Bonners Ferry & Moyie Springs Panhandle Area Council Boundary County School District
Chairman:	Mayor Darrell Kerby Bonners Ferry 208-267-4379
Professional:	Robin Ponsness 208-267-0352 rponsness@hotmail.com
Previous projects:	<p>Boundary County has had a hard time with continuity in economic development. Burnout is a major concern. In 2000, a group was assembled to discuss natural resource issues. The Boundary County Economic Development group built on the success of this venture. One of the major impacts and benefits of the Rural Initiative in Boundary County is the growth in relationships among community partners. The county underwent an extensive strategic planning process through a grant from Economic Development Association (EDA) in 2001.</p> <p>Worked with the city of Bonners Ferry to develop a community development block grant (\$500,000) for a downtown revitalization project that will significantly enhance the central business district. The grant is a collaboration between the city, business community and the Idaho Transportation Department (ITD). ITD is giving a section of Highway 95 to the city.</p> <p>Assisted the UI Boundary County Extension Agent in conducting NxLevel training for entrepreneurs. Course is taught twice a year.</p>
Current activities:	<p>Developing an inventory of industrial/commercial sites in Boundary County. The county does not have any available sites. They are working to get infrastructure in place to prepare for site development. An example of this is a sewer project adjacent to the Boundary County Airport.</p> <p>Development of an International Gateway Visitor Center in cooperation with ITD and US Fish and Wildlife Service.</p> <p>Developing an underground pedestrian tunnel under Highway 95 linking Kootenai River Inn and downtown Bonners Ferry.</p> <p>The partnership has succeeded in changing the mindset of the community/county. Residents passed a school bond election this past year (the first time in 30+ years). Highway 95 is undergoing changes near the school. Sidewalks and lighting are being added.</p> <p>Wold & Associates is conducting a feasibility study on establishing a value-added wood products business incubator in the county. The project is being funded by a USDA RBEG.</p> <p>The EDC is working on locating funding to construct a Riverwalk along the Kootenai River from downtown Bonners Ferry to the National Wildlife Refuge, approximately 5 miles.</p>

NORTHERN IDAHO: SILVER VALLEY ECONOMIC DEVELOPMENT CORPORATION

- Partners: Shoshone County
Silver Valley Economic Development Corporation
Panhandle Area Council
- Chairman: Dale LaVigne
208-556-1139/2
- Professional: Vince Rinaldi
208-752-5511
vince@silvervalleyedc.com
- Previous projects: Obtained EDA and rural economic development grant to fund infrastructure projects (water, sewer and roads) as part of the Greater Silver Valley Business Revitalization Project for industrial, commercial and recreational developments. Eagle Crest Resort's expansion also benefitted, adding an initial 30 jobs. In addition, 140 acres will be developed into light industrial sites for future job creation. As part of the project, Shoshone County officials will use \$500,000 in state funds for needed infrastructure.
- Provided support to a large energy development client.
- Marketed the Silver Valley to a Fortune 500 company.
- Provided assistance and retained Peak Mechanical.
- Recruited Preferred Technologies.
- Current activities: Continues to work on engineering and planning issues for the Greater Silver Valley Business Revitalization Project.
- Providing assistance to local companies to obtain SBIR funding.
- Continues to assist local companies with expansion efforts.
- Working with a mineral processing start-up with 12 jobs (potential of 50+ jobs).

NORTH CENTRAL IDAHO: IDA-LEW ECONOMIC DEVELOPMENT

Partners: Idaho County
Lewis County
Clearwater Economic Development Association

Chairman: Councilman Jeff Kutner, Grangeville
208-983-2626

Professional: Shaun Maxey
208-983-1025
idalew@camasnet.com

Previous projects: Idaho and Lewis counties recognize that jobs created in either county benefit both. Counties are cooperating and working together to make that happen. The board and rural economic development professional have learned about the resources and programs the state has to offer and discuss them with local businesses.

Kamiah received a \$10,000 Gem Implementation Grant for a study of the Camas Rail Road.

Successfully retained the Camas RailNet rail operations, saving rail service to North Central Idaho. Working with BG & CM Railroad, a new company that has purchased most of the abandoned Camas Railnet lines.

Idaho County Airport Layout Plan. Helped update airport plan to accommodate industrial development at the site. Worked with Idaho Sewing for Sports to expand to the site, but FAA regulations have hampered this effort.

Retained Bennett Forest Industries in Elk City & Grangeville.

Developed Ida-Lew website.

Created an industrial and office site inventory for the counties.

Current activities: Continue joint marketing efforts with Valley Vision and Clearwater County Economic Development.

Providing assistance to a new manufacturing and distribution client.

Recruiting for airport industrial park.

Recruiting new bio-composite material manufacturing client.

Continue activities related to resuming rail service on Camas Prairie by BG & CM Railroad. Rail service reinstated November 2003.

Providing SBIR assistance to companies in the area.

Continue to provide assistance to businesses in the counties (workforce training, SBIR, NxLevel, etc.).

NORTH CENTRAL IDAHO: CLEARWATER COUNTY ECONOMIC DEVELOPMENT

Partners:	Clearwater County The cities of Clearwater County Clearwater Economic Development Association Nez Perce Tribe EDA
Chairman:	Mayor Joe Pippenger, Orofino 208-476-4725
Professional:	René Gingrich (formerly Tim Rubio) 208-476-9829 cceds@orofino-id.com
Previous projects:	<p>The board realizes that a community's success benefits the county. The three communities are actively involved, as is the tribe.</p> <p>Pierce received a \$50,000 Gem Implementation Grant for revitalization of their business district. Grant assisted with bike and pedestrian roadway improvements.</p> <p>Orofino Industrial Site. Clearwater County Economic Development (CCED) worked with the city of Orofino on the construction of their new industrial building. Half of the site will house ASE Sign Company, an expanding local manufacturer of commercial ADA compliance signs. Plumber One is the other tenant.</p> <p>CCED and the city also recruited Plumber One from Carson, California who will hire up to 150 employees. This company manufactures earthquake safety valves that cut off the flow of natural gas and other elements to homes and businesses during unexpected ground movements.</p> <p>Worked on regional recruitment & marketing projects with Valley Vision in Lewiston.</p>
Current activities:	<p>Recruiting new small manufacturing company.</p> <p>Arranging hospitality training for area businesses in advance of Lewis & Clark Bicentennial.</p> <p>Continue regional recruitment and marketing projects with Ida-Lew Development and Valley Vision in Lewiston.</p>

SOUTHWEST IDAHO: EDGE ECONOMIC DEVELOPMENT

Partners:	Boise County Gem County Gem Economic Development Association
Chairman:	Mayor Phil Canody, Idaho City 208-392-3748
Professional:	Morris Huffman 208-365-4743 morris@gemcountypz.com
Previous projects:	<p>Formed Shadow Butte Development Corp. in Gem County.</p> <p>Horseshoe Bend awarded a \$10,000 Gem Implementation Grant for welcome signs.</p> <p>Gem County received a \$50,000 rural economic development grant for an industrial park. The grant will help with project engineering and planning. 110 jobs proposed.</p> <p>Liberty Canyon Boys Ranch Expansion: 36 new jobs created. \$360,000 rural economic development grant obtained to buy vacant building in Emmett. Large loan process underway for remodeling construction.</p> <p>Formed BASIN Development Corp. in Idaho City, a new organization to help economic development efforts.</p> <p>Tomorrow's Hope expansion in Emmett: 12 new jobs. Provides services to handicapped individuals.</p> <p>Pacific Stone startup in Emmett: 2 jobs, increasing to 10. Manufactures granite counter tops for residential market. Sells and distributes through large contractors and building supply companies.</p>
Current activities:	<p>Gem County Industrial Park: 60 acres obtained from the county; grant applications for \$2 million from EDA and \$500k from rural economic development grant underway. Benefits: 3 companies (possible tenants) and job creation. Project may potentially add 60 more acres in two expansion phases.</p> <p>Black Canyon Partners Planned Community: Startup project in Gem County (high end golf course, residential, equestrian, marina, hunting, etc). 400 acres purchased with option for 3,200. Potential benefits to airport and railroad.</p> <p>Grocery store expansion in Horseshoe Bend: 12 new jobs. Writing business plan and land options for new building are under evaluation.</p> <p>Motel/Hotel Convention Centers: In process of identifying available land, conducting feasibility studies and contacting developers and financing companies.</p> <p>Antique Furniture Retail Store/Workshop: New jobs opportunity; could also benefit downtown renovation. Business plan development and contacting financing sources underway. Includes office space for additional new jobs.</p>

SOUTHWEST IDAHO: WASHINGTON - ADAMS VISION FOR ENTREPRENEURSHIP

Partners: Adams County
Washington County
Sirolli Institute

Chairman: Commissioner Bill Brown, Adams County
208-414-2000

Professional: Lisa Wolfe
208-414-1906
lwolfe@ruralnetwork.net

Previous projects: New Meadows Business Park: 8 acre project involving construction of three new light industrial buildings. Water and sewer needs assisted by \$500,000 rural economic development grant. Business planning and other assistance provided to 4 small companies in the park. 6 to 11 jobs proposed.

Council received a \$489,184 rural economic development grant for site preparation and infrastructure for a business park. WAVE has provided business management coaching to several tenants/potential tenants.

Adams County received a \$50,000 Gem Implementation Grant for entrepreneurial/facilitator training with the Sirolli Institute.

Pizzamore (Weiser): Assisted a female employee of the small business in the acquisition and expansion from take-and-bake pizza to dine-in, gift store and meeting/party room

Agri Services, Inc. (Weiser): Expansion, site location and general business development assistance provided to this farm equipment business. 5 new jobs and new building in place with future expansions planned.

Meyer Industries (Midvale): Retention of core business and expansion assistance provided to diversified manufacturer and distributor during difficult ownership transitions.

Tater Tots Daycare and Preschool (Council): Early planning and continued coaching on the expansion process as this established business added a pre-school and new partners.

West Bridgewater Antiques/High Mountain Security (New Meadows): Early startup planning assistance and continued coaching for this unique blend of two diverse businesses that beautify the main downtown corridor.

Sirolli Program: Implementation and rollout of the Sirolli Institute Program for development in small, rural communities began in November 2001. Emphasis on providing business assistance to rural entrepreneurs, startups, expansions, and retentions. To date, assistance given to over 100 entrepreneurs, 16 startups, 9 expansions and 6 retentions. 29 new jobs have been created and 170 retained.

Current activities: Continue business management coaching for future tenants of the New Meadows Industrial Park and other local small business expansions.

Continue Enterprise Facilitator program to identify and assist new entrepreneurial startups.

Participate in statewide efforts to affect systemic change to the business climate in Idaho such as Idaho Rural Partnership and Idaho Economic Development Association.

Actively build networks between rural entrepreneurs, angel investors and venture capitalists.

SOUTHWEST IDAHO: PAYETTE COUNTY ECONOMIC DEVELOPMENT

Partners: Payette County

Co-Chairman: Kevin Coates
208-642-4773

Professional: Ron Wrest (formerly Steve Chapman)
208-642-0500
payecon@fmtc.com

Previous projects: JIANO Business Park: Two new 5,000 s/f buildings in New Plymouth. \$245,000 rural economic development grant obtained for city sewer and water line extensions. Noyes Apiaries, the first tenant company, expanded into one of the buildings. 30 jobs proposed.

Payette Waste System Improvement: Worked closely with Payette and IDOC to obtain \$460,000 block grant for improving water system.

Ethanol Plant Project: Provided considerable assistance on this project (to the company, recruiting efforts, obtaining \$450,000 USDA grant, etc.). Although company chose Oregon site, Idahoans will still get some job creation and agricultural benefits.

Economic and Community Development Planning: Payette Strategic Planning Organization created, New Plymouth Citizens Committee formed and Fruitland Chamber reorganized. Additionally, the Payette County Business Council was created with 85 members to work on recruitment, tax reductions, etc.

Assisted major national agriculture company with expansion, 20-30 new jobs.

Current activities: JIANO Business Park: Continue to work with companies considering expansion/relocation to the park. 30 potential new jobs.

Clay Peak Recreation Site Project: Startup county & community tourism project. Involves 2,000 acre site for multiplicity recreation (national level motocross racing, NRA and law enforcement shooting ranges, etc). Initial master planning underway.

Payette County Site Development: Recruited Superior Liftgates (2 new jobs) and working with another company for possible location in park. Similar work at prime property site in Fruitland along Highway 95 is underway.

SOUTHWEST IDAHO: VALLEY & NO. BOISE COUNTY ECONOMIC DEVELOPMENT

Partners: Valley County
Garden Valley (Boise County)
Crouch (Boise County)

Chairman: Commissioner Phil Davis, Valley County
208-382-7100

Professional: John Blaye
208-382-7194
blaye1@aol.com

Previous projects: Ashley Inn, Cascade: 24 new jobs, 65 suite rooms and conference center. \$3 million investment. Provided assistance with financing and marketing. Project received a \$406,520 rural economic development grant.

Pancake House Restaurant, McCall: Beautiful new 24,000 s/f building. A \$50,000 Gem Grant helped provide water services. 29 jobs proposed.

Park Place: Renovation of old forest service building into a business technology center and incubator in McCall. 50 offices/suites and several conference rooms provided for businesses. 8 new jobs so far. High tech companies being recruited and college extension campus could become part of project.

Holiday Inn Express: 85 rooms, 2,400 s/f conference center. Water system improvements necessary for McCall and the new facility were assisted by a Gem Grant. 35 new jobs. \$6 million investment.

Business Park and Forest Health Resource Center: Forest Concepts, an innovative wood products and forest restoration company, expanded from out of state to Cascade. Grants obtained and work continues by many organizations to assist the development and rollout of wood products related businesses. Major opportunity to utilize small diameter trees and for forest-related diversification.

Current activities: McCall Events and Conference Center: Could also include movie theatres. Feasibility studies, site location considerations, etc. are underway for this facility. EDA and IDOC block grants could be utilized.

Donnelly Business Park: 7 acre site project. A rural economic development grant application and other needed financing are being developed.

R. V. Park in McCall: 54 acres. Construction is underway on a 10,000 s/f clubhouse and 260 townhouses. Spaces will be provided for high end motorhomes.

Tamarack Resort: Huge, multimillion dollar ski resort complex in Donnelly area. 240 job potential. Marketing, financing, and operational activities underway. Could provide significant tourism and economic benefits.

SOUTH CENTRAL IDAHO: RURAL MAGIC VALLEY ECONOMIC DEVELOPMENT ASSOCIATION

Partners:	Gooding County Lincoln County Jerome County Buhl Carey Castleford (former partner)
Chairman:	Steve Kaatz, Buhl Chamber 208-543-8576
Professional:	James Scott 208-837-4522 scotty@rmvidaho.com
Previous projects:	<p>Rocky Mtn. Hardware expansion to Shoshone. This downtown Hailey-based manufacturer of specialty hardware held a ribbon cutting ceremony October 31, 2003. The city used a \$141,500 rural economic development grant to extend sewer line to new facility. 10 new jobs proposed.</p> <p>Dietrich was awarded a \$10,000 Gem Implementation Grant to rejuvenate their park pavilion.</p> <p>Hazelton received a \$305,000 rural economic development grant for Reed Grain. 6 jobs proposed.</p> <p>New Hagerman grocery and downtown project. Partnerships formed with a local grocer allowing the City of Hagerman to improve its downtown area, attract tourists, expand an existing grocery store and create 7 new jobs. Awarded a \$50,000 Gem Implementation Grant which led to a \$250,000 community development block grant.</p> <p>Using \$220,000 in Rural Initiative money, Hagerman will demolish hazardous buildings and construct a public parking lot that will accommodate RV parking, allowing the Hagerman Fossil Bed National Monument to complete its marketing efforts. 15 jobs proposed.</p>
Current activities:	<p>Working on creation of Billingsley Creek Visitor's Center and farmers market at the Billingsley Creek State Park.</p> <p>Starting a new USDA-funded initiative to assess and inventory the telecom capabilities of the area. A RBEG that totals nearly \$11,000 was obtained to assess the communities of Buhl, Hagerman, Bliss, Wendell, Gooding, Shoshone, Dietrich and Richfield.</p> <p>Working on a proposed ethanol project in Wendell. Project would establish a cooperative between local dairy farmers.</p> <p>Continue to work with a manufacturing client interested in relocating to Gooding.</p>

SOUTHEAST IDAHO: 4CASI ECONOMIC DEVELOPMENT

Partners:	Bear Lake County Caribou County Franklin County Oneida County
Chairman:	Commissioner Conrad Michaelson, Bear Lake County 208-390-0674
Professional:	Richard Westerberg 208-852-0653 rdwesterberg@msn.com
Previous projects:	<p>Western Pipeline Products relocation. Assisted this firm in its move to the Preston industrial park. This company will manufacture cement castings and distribute pipe and plumbing supplies.</p> <p>Freedom Plastics. Helped retain a Preston plastics manufacturer that considered relocating out of state with its 86 positions.</p>
Current activities:	<p>Assisting Bear River Zeolite with its expansion and electrical service upgrade.</p> <p>USDA-funded motel feasibility studies for Preston and Malad underway.</p> <p>Working with two ethanol production projects and a plastics firm.</p>

EASTERN IDAHO: CUSTER & NO. LEMHI ECONOMIC DEVELOPMENT

Partners:	Custer County Lemhi County
Chairman:	Alan Howell 208-756-7730
Professional:	Gynii Gilliam (formerly Pete Stasiak) 208-756-3214 gynii@custertel.net
Previous projects:	<p>Began final design and construction on the Lemhi/Salmon Innovation Center. Marketing efforts underway. Channel Blend is a tenant with 12 jobs proposed (potential of 50).</p> <p>Mackay received a \$186,000 rural economic development grant for business park infrastructure for Gone Fishing and Medicine Rock. 29 jobs proposed.</p> <p>Salmon received a \$500,000 rural economic development grant for infrastructure benefitting ML Technologies.</p> <p>Completed a dairy products feasibility study.</p> <p>Began planning urban renewal projects in Salmon.</p> <p>Began planning and design of Stanley Events Center.</p> <p>Involved in Sacajewa Center project, providing a focal point for the community's heritage.</p>
Current activities:	<p>Continue marketing efforts for the Lemhi/Salmon Business Center.</p> <p>Pursue funding for a NASA observatory outside of Challis.</p> <p>Pursue funding for the Stanley Events Center project.</p> <p>Continue planning and design of the Salmon Urban Renewal Project.</p> <p>Assist the region with a biomass feasibility study.</p>

EASTERN IDAHO: FEAC & 3CDC ECONOMIC DEVELOPMENT

Partners:	Fremont County Clark County
Chairman:	Richard Law, Fremont County 208-624-7801
Professional:	Peter Gladstone 208-624-1298 econdev@fretel.com
Previous projects:	<p>Worked on the Dubois downtown revitalization project. A \$50,000 Gem Implementation Grant assisted the project, resulting in the award of a \$500,000 community development block grant. Curbing, sidewalks and street lights were added.</p> <p>Assisted a local restaurant with an expansion project in Dubois.</p> <p>St. Anthony received a \$500,00 rural economic development grant for off site parking and business facility development. ML Technologies is the tenant with 50 jobs proposed.</p> <p>Island Park received a \$10,000 Gem Implementation Grant for a safe drinking water public education campaign.</p> <p>Worked with several businesses in Fremont County on potential expansion projects.</p> <p>Obtained financing for a farming operation.</p>
Current activities:	<p>Continue to develop a motel in Dubois.</p> <p>Continue efforts to acquire public ownership on a vacant bank and hotel.</p> <p>Continue to provide business expansion services to businesses in the two county region.</p> <p>Work on trucking communications project.</p> <p>Assist wood products manufacturing company.</p>

For details on Idaho's Rural Initiative, contact:

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